

Specific Housing Objectives

*Please also refer to the Housing Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year 4 Action Plan Specific Objectives response:

1. SPECIFIC HOUSING OBJECTIVES

The following table outlines the specific accomplishment goals that the City of Rockford plans to achieve through projects supported during the 2008 program year. A more detailed enumeration of output and outcome objectives for individual housing projects was previously included.

ACTIVITY	ACCOMPLISHMENT	GOAL	SOURCE
Rehabilitation of housing	33 Housing Units		CDBG and HOME
Construction of Housing	4 Housing Units		HOME
Lead-based Paint Interim Controls	48 Housing Units		CDBG and HOME
Homeownership Assistance	18 People Served		HOME and ADDI
Code Enforcement	3455 Violations abated through Code Enforcement		CDBG

3. USE OF AVAILABLE RESOURCES

As outlined in the table above, Rockford intends to use Consolidated Plan funding from the CDBG and HOME program to support housing activities during the 2008 program year for eligible populations within the program jurisdictions. This funding will support the Focus Area Rehab program, Gilbert Avenue and Blaisdell program, Code Enforcement, the ADDI Homebuyer program, downpayment assistance provided to for-profit and non-profit developers of housing, and the Get the Lead Out! program.

Other Federal, state, local, and private funding sources will match these funds to achieve the accomplishment goals outline above. Although the City of Rockford has documented excess HOME required matching funds from prior years, Rockford will continue to identify funding from other sources during the program year.

Needs of Public Housing

1. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.
2. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

Program Year 4 Action Plan Public Housing Strategy response:

1. NEEDS OF PUBLIC HOUSING

The City has and will continue to work together with both the Rockford Housing Authority and the Winnebago County Housing Authority to implement activities that encourage public housing residents to become more involved in management and to participate in homeownership opportunities.

The Rockford Housing Authority (RHA) has a strong commitment to customer service and promotes resident input through regularly scheduled meetings with the Executive Director and other key staff people. Together, the City of Rockford and the Rockford Housing Authority will continue to work together to encourage public housing residents to access community resources that can be used to address needs and improve the overall quality of life for all residents.

The City of Rockford will continue to work with resident councils to encourage growth and formal structure within councils. The Council of Neighborhood Organizations will be used as a resource to assist the structural development of councils. RHA not only encourages, but offers incentives to resident councils that become more involved in activities that foster leadership and have supported fair housing training in the past. To that end, the RHA Executive Director sits on the City of Rockford Fair Housing Board and regularly invites members of resident councils to attend and become involved.

The City's Human Services Department continues to provide assistance to public housing residents through several of its programs. The Head Start program teaches income-eligible pre-school children skills that stimulate their intellectual, emotional and social growth. The parents of these pre-schoolers are provided access to employment and training opportunities and social services as well. The Head Start program is not made up entirely of public housing residents; however, large portions of the participants are from public housing. This is due primarily to the focus of recruitment efforts that have a propensity of improving the quality of life of public housing residents through program participation. Plans are to continue to focus recruitment in public housing developments during the Action Plan year. The City also works to improve resident initiatives by administering a summer feeding program throughout the city but concentrated in many public housing developments. The program provides free nutritious lunches to over 2100 children annually. Plans are to continue this program. In addition, the City will continue to work with the Housing Authority to take steps to reduce the hazards of lead based paint in family housing developments, scattered sites, community facilities and day cares within developments. The City administers state funded lead abatement program that requires a ten percent match provided with CDBG funds. Priority is given to housing authority units where a child or children with elevated blood levels reside.

Additionally, the City of Rockford is working in conjunction with the RHA on the demolition of the Jane Addams family development as well as the redevelopment of Concord Commons, another multi-family housing complex. During the past year HUD approved the demolition application for

Jane Addams. RHA is in the final stages of relocating residents into other developments, scattered site homes and its section 8 program. Demolition will commence once relocation is complete and it is expected that this will be prior to the end of 2007. Additionally, this area has been identified as a focus area by the city of Rockford and as a result will receive dedicated resources for redevelopment to improve it. One of the improvements slated for this area is the Morgan Street Bridge replacement project that is under development by the city. It is also expected that the city and RHA will form a collective partnership and hire a developer in the upcoming year to demolish Concord Commons as well. Concord Commons is located on the west-side of the city in a blighted area adjacent to an on-going HOPE VI project under the supervision of the Winnebago County Housing Authority.

The City has partnered with the Winnebago County Housing Authority (WCHA) over the past several years in regards to its Hope VI project. WCHA successfully applied for HOPE VI funds in 2002 to develop 52 affordable homeownership units and 52 rental homes in the Washington Park neighborhood revitalization area of west Rockford. The project also included the demolition of the Champion Park Apartments. As the project moves into the final phases of 5 and 6, the City will continue to support the efforts of creating a minimum of 26 newly renovated single family homes for ownership in each of the next two years.

2. TROUBLED HOUSING

Neither the Rockford Housing Authority nor the Winnebago County Housing Authority carries the designation of "troubled" by HUD. Furthermore, neither is considered as a poorly performing entity and as a result, the City does not need to prescribe any financial assistance or other assistance to improve operations to remove such designations during the year.

Barriers to Affordable Housing

1. Describe the actions that will take place during the next year to remove barriers to affordable housing.

Program Year 4 Action Plan Barriers to Affordable Housing response:

1. BARRIERS TO AFFORDABLE HOUSING

The City of Rockford is one of the most affordable cities in the United States but 49.6% of Rockford's population earn less than 80% of the area median income. Therefore, there continues to be a need to address overall barriers to affordable housing and homeownership.

Community Development will address these issues through the continuation of its homebuyers programs such as the American Dream Downpayment Initiative, REACH Employer Assisted Housing, CHDO projects creating affordable housing, the Focus Area Rehabilitation program and the new Gilbert Avenue Area Rehabilitation program.

In 2007, the Rockford City Council adopted a new Zoning Ordinance for the entire City that reflects the goals and objectives of the 2020 Comprehensive Plan. This ordinance promotes the concept of housing that is desirable, safe and affordable. Over the course of the 2008 program year, the City anticipates continuing to implement the provisions of this new Ordinance and evaluating its effectiveness at meeting the goals of the 2020 Comprehensive Plan. Attention will be paid to how the code impacts affordable housing projects.

Rockford's permit fees and development review process are also some of the least burdensome in the region – especially as compared to Chicago. The City does not charge development impact fees or technical review fees and places no special permitting reviews on affordable housing

projects that would not be required of all developments. Finally, there are no court order or HUD sanctions in effect in Rockford.

Unfortunately, the primary barriers to the production of affordable housing in Rockford remain the high cost of construction and after-rehab or after-construction property values. These barriers are, for the most part, beyond the control of the local jurisdiction.

Additional barriers include:

1. The sub-prime mortgage lending aspect of alternative financing has created a barrier to affordable housing. The high cost of sub-prime mortgages has left lower income persons in non-equity positions with payments in excess of their means of repayment. For some, their only way out is foreclosure.

Strategy:

- ✓ Sub-prime lenders are prohibited from participating in any City of Rockford programs.
 - ✓ ADDI program prohibits participation of a lender who costs exceed of 5% of the mortgage amount.
 - ✓ The Rockford Homestead Board, who oversees Rockford's homeownership programs, denies requests for subordination when sub-prime lenders are involved and counsels homesteaders on the negative effects of sub-prime mortgages. Also, this issue is addressed in quarterly newsletters sent to all homeownership program participants. We also address "payday lending" through education via the Rockford Area Affordable Housing Coalition and the Rockford Homestead Board.
 - ✓ A portion of the City's Community Development Block Grant is budgeted to continue a pre- and post-purchasing homebuyer counseling administered by the Rockford Area Affordable Housing Coalition.
2. A barrier in lower income neighborhoods in which affordable housing is commonly located is crime and safety.

Strategy:

- ✓ Community policing initiatives will continue, in which police officers come to know the neighborhood residents and address their problems before they become acute. They become known in the neighborhood rather than the patrols that respond to crime and are supported by neighborhood watch groups and safe house programs that engage citizens in their own public safety needs.
- ✓ The City of Rockford will also continue its demolition program to reduce the infrastructure that supports crime. We will focus on properties identified by the neighborhood and will encourage swift reclamation of these abandoned and nuisance properties through both the Building Department and Community Development.
- ✓ The City continues to focus its resources to certain strategy areas to reinforce blocks. Street improvements will favor the pedestrian. Park like areas will be distributed within the neighborhood. Each element of infill and rehab will reinforce the local character of the neighborhood.

- ✓ Through the Weed and Seed efforts, improvements will be made to homes and through the weeding effort there is a greater police presence, including the deployment of undercover officers, and tighter enforcement of building codes and other steps to work against blight.
3. There are developmental barriers to the creation of affordable housing. This includes property acquisition, cost estimation, obtaining insurance during construction, financing, and land-use restrictions. Additional barriers include qualified workers and compliance with the myriad of codes and regulations.

Strategy:

- ✓ The City will make its vacant lots available to CHDOs and private developers for redevelopment.
 - ✓ In most cases, policies are out of the City's control. Those within the City's control, Full Urban Standards for new subdivisions and Zoning Ordinance changes, have inverse effects. Our Zoning Ordinance has no negative effect and requires no strategy. The Full Urban Standards requirements are somewhat offset by the 50/50 Sidewalk Program which pays 50% of concrete walks/curbs. In all cases, the City is working with committees, task forces and boards to ensure coordination with entities that have the ability to reduce or offset negative effects of such policies.
 - ✓ Financing and acquisition will be addressed in later strategies.
 - ✓ Technical assistance will be provided to developers and homebuyers.
4. The age and condition of the housing stock is a barrier. The median year built for the housing in Rockford is 60 years, an age at which substantial major rehabilitation of systems and building components is often needed. Costs can exceed \$50,000 when substantial rehabilitation is necessary. The costs associated with lead-based paint have added approximately another 15%- 30% to the cost. Often, a large gap exists between the cost of rehab and the financial resources available. Sweat equity can help bridge the gap but without public subsidies, a complete rehabilitation job is virtually impossible by property owners.

Strategy:

- ✓ Aged properties not suitable for rehabilitation will be demolished by Community Development, the Building Department, or direct assistance to property owners.
 - ✓ Community Development will work cooperatively with the Human Services Department to fund projects whenever possible and the WCHD, especially when there are identified lead hazards.
 - ✓ Increases in the cost of materials are anticipated and considered when analyzing the gap of special projects.
5. Even without factoring in the cost of renovation, many households currently face an affordability problem. Most at risk are renters, minorities, the poor and residents of older housing. These at-risk populations tend to live in housing with the greatest need for renovation, yet they are least likely to be able to pay for it.

Strategy:

- ✓ Rehab assistance will be provided to investor owners who, as a condition of assistance, must rent 51% of the units assisted to lower income at fair market rents.

- ✓ The City through the continuation of its homebuyer programs will address affordable housing.
- ✓ The city will address the issue of decent, safe and affordable rental and owner-occupied units by continuing its housing rehab and home ownership programs as well as participate in IHDA's programs.
- ✓ The City will continue to market its home ownership programs to public housing tenants in an effort to provide them with additional housing choices.

6. Acquiring properties poses an impediment, which hampers the City's acquisition-rehab efforts.

Strategy:

- ✓ Foreclosing on liens, acquiring properties on a voluntary sales basis, and obtaining HUD properties with a conservative use of eminent domain will be used. Unfortunately, there are a myriad of barriers we face just in acquiring property.
- ✓ The City will continue to evaluate our strategies of acquiring property and work with others within our organization to identify streamline methods.
- ✓ Properties will be demolished using the "fast track" method to avoid the lengthy process of acquisition.

7. Financing is a barrier to the production of affordable housing with the crux being the economic gap. Many owners and occupants of properties needing rehab simply do not have the resources to pay for the rehabilitation, and the affordability gap makes the problem even worse. Even though there are more sources available than in the past with more affordable financing due to CRA laws and subsidies are available through public resources, it is still a barrier. Also, persons with special needs require assistance with making units accessible.

Strategies:

- ✓ The ADDI program will continue in which provides 6% of the sales price for homebuyers to use for downpayment and closing cost assistance.
- ✓ New construction will continue which leverage private and federal funds to create affordable housing financing for lower income persons via developers.
- ✓ CHDO projects will be funded with a HOME set-aside which provide a development subsidy and direct homebuyer assistance to fill the gap in financing.
- ✓ A portion of the City's Community Development Block Grant is also being used to continue a credit-counseling course administered by the Rockford Area Affordable Housing Coalition.
- ✓ The City will submit an application for funding under HUDs Homeless Assistance for the Homeless program.
- ✓ The City will continue to provide grants to program participants for cover the increased cost of rehabilitation due to the new lead-based paint requirements in hopes of encouraging their continued participation in the programs.
- ✓ Ramps will be constructed for the physically disabled through the RAMP agency.

- ✓ The City's new Tax Incentive Program and loan pool will be marketed to prospective buyers of eligible properties.

8. Appraisal issues contribute to the financing as well as acquisition challenge. Financing is typically offered at a percentage of the real estate value, usually 80%. Since financing is secured at a share of value, the appropriate determination of the value of property being rehabilitated is a prerequisite for obtaining loans. Professional valuations are done by appraisers who assign values to a property by considering the cost to produce it, what buyers have paid for comparable properties, and what priorities are worth as an investment. Each dollar of rehab work does not raise a property's value by the same amount. Thus, there is a frequent divergence between cost and value. Where a property is located also has a significant influence on its value. Values are discounted accordingly which has a destructive influence on our neighborhoods. A similar difficulty exists with the identification and adjustment of comparable properties. Appraisers recognize the variability of real estate in the analysis of comps by factoring in an "adjustment." It is easier to make adjustments with new units due to the fact they are more generically standard. It is problematic to make adjustments between an unrehabilitated older unit and older renovated housing.

Strategy:

- ✓ We believe it is important that appraisers focus on the immediate environ of the property and should acknowledge the rehabilitation and other investment in the area. Therefore, we will keep the Assessor's Office informed of our neighborhood development strategies.
 - ✓ The development of a loan pool is in process to help cover the gap in financing.
 - ✓ The City will increase the value of property in neighborhoods by focusing our resources. We will analyze our affect on neighborhoods annually.
9. Funding is also a problem. An under appraisal of value of a rehab project will limit public as well as private mortgage-ability. Public funding and subsidy of rehab also has issues - which includes the limited supply of and competition for assistance. Plus, there are additional costs associated when using public assistance including labor wage requirements, relocation, and lead. Timing and the cost of carrying projects can significantly increase the overall project costs.

Strategy:

- ✓ The City of Rockford will continue to provide technical assistance to help ensure that projects obtain the resources needed.
- ✓ Raising the awareness of available funding sources through networking and serving on boards and committees.
- ✓ The City will continue to seek basic funding of programs for the homeless for without these programs, those currently provided housing will be back out in the street. Shelter Plus Care has been highly successful for people suffering from mental illness. The fact that the person gets to choose their housing has shown great promise when working with the sometimes non-compliant. The Supportive Housing programs have given us the opportunity to develop creative programs with coordinated resources.
- ✓ The City will continue to seek outside resources to assist with the redevelopment of our neighborhoods.

10. Lead-based paint is commonly found as it was extensively used in building until 1978. Older housing is therefore most vulnerable to the problem. Generally, the older the home, the greater the problem. It is a serious health hazard, especially for young children, and an expensive problem to fix. Federal regulations have come out to protect occupants and workers from lead poisoning. At the same time, these regulations layered upon the State regulations and the costs associated to a rehab project with no funding can present a significant barrier to rehab. As a result, the improvements may not be done at all leaving families in poorly maintained housing with hazards. Lead poisoning disproportionately affects poor, urban minorities, and these groups are least likely to benefit from abatement unless they are in HUD subsidized units. Because lead costs can be expensive in deteriorated housing and funding is not readily available, most developers are not eager to engage in the rehab of housing that may contain lead-paint hazards. More and more are moving away from rehab to in-fill new construction.

Strategy:

- ✓ Provide match for the State's Get the Lead Out! Program administered by the City's Human Services Department so that additional funding can come to this community to address controlling lead hazards.
 - ✓ Continue to network with the Winnebago County Childhood Lead Poisoning Prevention Committee to determine ways to educate the public on lead hazards.
 - ✓ Look at other cities and their approach to contracting for lead work.
 - ✓ Increase the number of lead licensed contractors for more competitive bidding.
11. The incidence of crime throughout the city is high but has an especially negative effect on lower income neighborhoods.

Strategy:

- ✓ Reduce the infrastructure that supports crime.
- ✓ Encourage swift reclamation of abandoned and nuisance properties through the acquisition/demolition or fast track demolition of properties.
- ✓ Promote urban homesteading and the removal of vacant derelict property through the development of a Urban Redevelopment Program. Outside resources will be necessary to bring this program to fruition.
- ✓ Attract, strengthen, and stimulate private market forces and other public resources to invest in inner-city communities
- ✓ Encourage neighborhoods to organize against crime.

HOME/ American Dream Down payment Initiative (ADDI)

1. Describe other forms of investment not described in § 92.205(b).
2. If the participating jurisdiction (PJ) will use HOME or ADDI funds for homebuyers, it must state the guidelines for resale or recapture, as required in § 92.254 of the HOME rule.

3. If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under § 92.206(b). The guidelines shall describe the conditions under which the PJ will refinance existing debt. At a minimum these guidelines must:
 - a. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.
 - b. Require a review of management practices to demonstrate that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
 - c. State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
 - d. Specify the required period of affordability, whether it is the minimum 15 years or longer.
 - e. Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2) or a Federally designated Empowerment Zone or Enterprise Community.
 - f. State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.
4. If the PJ is going to receive American Dream Down payment Initiative (ADDI) funds, please complete the following narratives:
 - a. Describe the planned use of the ADDI funds.
 - b. Describe the PJ's plan for conducting targeted outreach to residents and tenants of public housing and manufactured housing and to other families assisted by public housing agencies, for the purposes of ensuring that the ADDI funds are used to provide down payment assistance for such residents, tenants, and families.
 - c. Describe the actions to be taken to ensure the suitability of families receiving ADDI funds to undertake and maintain homeownership, such as provision of housing counseling to homebuyers.

Program Year 4 Action Plan HOME/ADDI response:

1. FORMS OF INVESTMENT OUTSIDE 24 CFR 92.205(B)

The City does not intend to use other forms of investment not described in 92.205 (b).

2. HOME RESALE/RECAPTURE GUIDELINES

Section 92.254(a)(5) of HUD Section 24 allows the participating jurisdiction to impose either resale or recapture requirements on properties sold or refinanced that have been assisted with HOME funds. HOME funds awarded to homebuyers are provided as a deferred loan at 0% - forgiven over time. The City of Rockford prefers to use the recapture method, but may be required to use the resale method, depending on the circumstance. The following applies to the recapture requirements in compliance with the standards.

The City of Rockford will recapture all of the HOME assistance to the homebuyer under the following conditions:

1. The house does not continue to be the principal residence of the family or if the property is sold, transferred or refinanced.

2. The City of Rockford reserves the right to re-inspect. If non-compliance is found, failure of the homeowner to repair said items will result in the immediate repayment of the HOME assistance.
3. In the event of foreclosure of the first mortgage, the mortgagor agrees that the net proceeds of a foreclosure sale (after payment of the prior mortgage) shall be paid to the City of Rockford in payment of the amount loaned under the HOME agreement as set forth. The City must demonstrate that it has made a good faith effort to salvage the project and preserve it for affordable housing.

The market in Rockford is a soft market and appreciation is uncertain, sometimes depreciation may be more likely than appreciation. Our programs emphasize neighborhood revitalization and serve neighborhoods threatened by weak and sometimes declining values. Investment in homeownership in our strategy areas is considered "high risk" and we find it important to protect homebuyers from some of the downside risk.

To encourage the initial homebuyer investment and ongoing investment in the property and neighborhood, the City of Rockford has determined that incentives are needed. Therefore, we have structured programs in which homebuyers capture a significant percentage of equity accumulation. These incentives include forgiveness of the loans and the sharing of the net proceeds.

The seller will be allowed to sell the home to any willing buyer at any price as long as the HOME debt under the recapture formula noted below is repaid. The City of Rockford will reduce the HOME investment amount to be recaptured on a prorata basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.

If a homebuyer should transfer title during the period of affordability through sale, foreclosure, or transfer in lieu of foreclosure, the net proceeds will be divided proportionally. The net proceeds are the sales price minus loan repayment (other than HOME funds) and the closing costs incurred by the seller at the time of closing. The Homeowner investment includes the purchaser's contribution to the down payment.

The net proceeds will be divided proportionally as set forth in the following mathematical formula:

$$\frac{\text{Homeowner Investment}}{\text{HOME Investment} + \text{Homeowner Investment}} \times \text{Net proceeds} = \text{Amount to Homeowner}$$
$$\frac{\text{HOME Investment}}{\text{HOME Investment} + \text{Homeowner Investment}} \times \text{Net proceeds} = \text{HOME recapture (not to exceed the original HOME investment)}$$

Note, we anticipate the possibility of insufficient net proceeds since we are investing our HOME dollars in modest neighborhoods with limited market growth and low-income buyers.

If a homebuyer becomes non-compliant during the term of affordability i.e. not occupying the property as their principal residence, all HOME funds will be due and payable.

Example based on 2008 program design for downpayment assistance:

Assumptions:

- Original value at the time of purchase: \$50,000
- First mortgage from private lender for purchase – 30 years at 6%: \$46,000
- HOME Assistance (downpayment & closing costs): \$4,000 (\$3,000 downpayment & \$1,000 closing costs)
- Homeowner contribution (downpayment) : \$1,000
- Sales Price \$55,000
- Sale occurring after the 3rd and prior to the 4th anniversary of the purchase date
- Seller's closing costs: \$1,500

Sales Price	\$55,000.00
Minus seller's closing costs	\$ 1,500.00
Minus 1 st mortgage payoff	<u>\$44,147.62</u>
Total Net Proceeds	\$ 9,352.38

$$\frac{\text{Homeowner Investment } \$1,000}{\text{HOME investment } \$4,000 + \$1,000} \times \text{Net proceeds } \$9,352.38 = \$1,870.48$$

$$\frac{\text{HOME Investment } \$4,000}{\text{HOME investment } \$4,000 + \$1,000} \times \text{Net proceeds } \$9,352.38 = \$7,481.90$$

Since HOME amount to be recaptured is not to exceed the original HOME investment and the HOME funds of \$4,000 is forgiven over the term of affordability, the amount recaptured is \$1,600 [\$4,000 minus (3yrs x 1/5 of \$4,000)]. Therefore, the homeowner receives the remaining balance of \$7,752.38 (\$9,352.38 minus \$1,600) at closing.

3. GUIDELINES FOR REFINANCING DEBT

The City does not use HOME funds to refinance existing debt secured by multifamily housing being rehabilitated with HOME funds.

4. ADDI

In 2008, the planned use for ADDI funds will be to provide downpayment and/or closing cost assistance to first time homebuyers either through the City of Rockford ADDI program, or through developments such as Emerson Estates, Lincolnwood Estates, Youthbuild.

Requirements for all City of Rockford Community Development downpayment and/or closing cost assistance programs include:

- Funding is provided in the form of a 5-year forgivable mortgage loan to purchase a single family, detached dwelling which will be used as the homebuyer's primary residence.
- The homebuyer's must successfully complete homebuyer training classes provided by the Rockford Area Affordable Housing Coalition or the Rockford Housing Authority and have household incomes at or below 80% of median income.
- The value of the property must be below \$200,160, and the property must meet local code as determined by an inspection completed a qualified City of Rockford employee.

For the City of Rockford ADDI program, 6% of the purchase price will be provided to homebuyer's purchasing homes located in the northwest area of Rockford.

For other ADDI eligible developments, the City will provide 6% of the purchase price up to \$10,000.

The City of Rockford's plan for conducting targeted outreach to residents and tenants of public housing, trailer parks, and manufactured housing, and to other family assisted by public housing agencies, for the purpose of ensuring that ADDI funds are used to provide down payment assistance for such residents, tenants, and families is as follows:

Marketing efforts will include promotional brochures, newspaper advertising, direct mailing/flyering, public relations, radio advertising, and television advertising. In addition, specific marketing efforts will also be geared towards minority residents of this community to increase homeownership for this population. Such efforts are discussed in more detail in the next section, which speaks to affirmative marketing procedures.

All of the City of Rockford Community Development downpayment and/or closing cost assistance programs require the eligible homebuyer's to obtain homebuyer training provided through the Rockford Area Affordable Housing Coalition (RAAHC) or the Rockford Housing Authority (RHA). These classes ensure that families have been trained to undertake and maintain homeownership.

Both, RAAHC and RHA provide very extensive training, which addresses issues ranging from home financing and budgeting to home maintenance and protection.

Although homebuyer's receive this extensive training, sometimes hardships occur. When this happens, RAAHC is prepared to provide assistance through post purchase counseling. Also, the City of Rockford Homestead Board will provide assistance and/or refer them to RAAHC for one on one post purchase counseling.

5. AFFIRMATIVE MARKETING ACTIONS

The City of Rockford continues to further affirmative marketing actions to involve minorities and women in the HOME program. Requests for contractor qualification for rehabilitation are advertised in minority publications. Qualified MBE and WBE contractors are included on lists of qualified contractors provided to property owners intend to receive assistance through these programs.

HOMELESS

Specific Homeless Prevention Elements

*Please also refer to the Homeless Needs Table in the Needs.xls workbook.

1. Sources of Funds—Identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe, briefly, the jurisdiction's plan for the investment and use of funds directed toward homelessness.
2. Homelessness—In a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.